

GROWING. STRONGER. TOGETHER.



At Maine Community Bancorp, our vision is to be the “bank of choice” that deepens relationships with our customers, employees and communities.

2018 ANNUAL REPORT





MESSAGE FROM THE PRESIDENT & CHAIRMEN

2018 was a transformational year for Maine Community Bancorp (MCB). As we closed out the third full year of the integration of our two banks, Biddeford Savings and Mechanics Savings, we said farewell to our two former Co-CEOs as they set sail into retirement. We welcomed Jeanne Hulit as Maine Community Bancorp's singular President and CEO to oversee both banks and to maximize the benefits of the alliance. During the leadership transition, everyone stayed focused on our customers and continued to be engaged in their charitable and volunteer activities. Our employees did an amazing job!

Throughout the integration, the team has never lost sight of the bottom line. Together, the banks have grown to over \$900 Million in assets and have had record earnings. The MCB alliance has enabled us to grow, reduce costs and have more resources to contribute to the communities we serve. While each bank has maintained an independent identity in its respective market area, our employees have been hard at work behind the scenes bringing many of our operations together and leveraging resources to bring you a better banking experience.

The results speak for themselves. In 2018, the banks have increased assets year-over-year by \$30.8 million dollars, to end the year at \$908.8 million. Our deposits increased over \$27 million, to \$664 million, enabling us to invest more money to help homeowners and businesses in our communities thrive. We opened 89 new commercial relationships, providing over \$116 million in new commercial loans. On the residential side, we provided \$91 million in financing for 698 families that were able to purchase or improve their homes. As a result, we had the most profitable year ever, earning \$6.9 million, a \$1 million dollar increase over the prior year.

While we all work hard, our employees are also committed to helping build stronger communities. Last year we provided over 7,525 hours of community service and over \$305,000 in contributions. Our commitments touched all of our communities in Central and Southern Maine and helped support over 250 organizations. These efforts help support the communities that we love, providing needed services to those less fortunate and education and arts programming that enhance the lives of our children and our families.

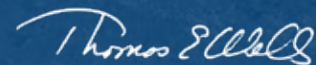
There is much more ahead for Maine Community Bancorp and our two great banks, Biddeford Savings and Mechanics Savings. We value your continued support and appreciate your feedback and engagement as we continue to Grow Stronger Together.



Jeanne Hulit
President & CEO



Jon S. Oxman, Esq.
Chairman of the Board



Thomas E. Wells
Vice Chairman of the Board

GROWING

adjective

becoming greater in quantity, size, extent, or intensity.

In 2016, Biddeford Savings and Mechanics Savings began an important journey together. An alliance was formed that enabled both banks to share resources and expertise to keep up in a rapidly changing banking landscape. Amidst so much change, we decided to challenge ourselves because we knew that together we could make a difference and, more importantly, we could improve the banking experience for our customers.

Since then, we have continued to grow stronger together. We continue to keep our brand and focus local. We continue to be a strong financial partner, to help our customers succeed, and to create a culture of collaboration among our employees that promotes strong neighborhoods and communities where we live and work.

Together, we have 9 branch offices and 162 employees. Each and every member of our team shares a common purpose: to deliver an exceptional customer experience.

The partnership between Biddeford Savings and Mechanics Savings provides the sufficient scale to operate more efficiently and stay relevant in a rapidly evolving world of technology. Our ambition is to continue to make banking easier, faster and more convenient for our customers. Both banks are committed to creating an outstanding customer experience by combining the latest developments in technology with an in-depth understanding of our customers' needs. Combining resources has given us the flexibility to improve our overall banking experience and add even more convenience with new digital banking options, such as an improved Online Banking experience and new convenience services, such as CardValet® and SecureAlerts.

Each year, we send our customers a survey to ask how we're doing and to identify any areas that may need improvement. We're always thrilled by the number of responses we receive – and we're even more thrilled with the results! Overall, the majority of our customers say they would recommend our banks to their friends and family. We can't think of a better measure of success than the trust our customers place in Biddeford Savings and Mechanics Savings.



31

**New Positions and/or
Job Promotions**

162

Employees



“Our team has embarked on the largest redevelopment project in our company’s fifty year history in Scarborough – something that would not be possible without strong partners like Biddeford Savings and Mechanics Savings. Together, we hope to build a lasting project that will create jobs, stimulate economic growth and become one of the most well-known development projects in the region. We couldn’t do that alone.”

–Rocco Risbara III

*Principal, Crossroads Holdings, LLC &
President, Risbara Bros. Construction*





STRONGER

adjective

especially able, competent, or powerful in a specific field or respect.

Biddeford Savings and Mechanics Savings both have a strong commitment to local businesses and aspiring entrepreneurs. We understand that local businesses contribute to a strong and vital community, so we do all we can to help local businesses succeed in order to help our communities grow.

One of the main drivers behind the creation of the alliance was to increase commercial lending capacity. As individual banks, we were limited on how much we could lend, but together we're able to combine our resources to work with businesses on larger and more complex loan relationships, spurring economic growth in our communities. At present, the two banks share over \$25,000,000 in loans to local businesses. We also provided over \$9,000,000 in loans to support community development efforts.

A great example of a successful collaboration between both banks is the development of the former Scarborough Downs into a mixed-use development. The Downs will become home to a modern town center, balancing residential areas with recreation, retail and commercial development. The banks worked together to provide the financing to construct Mill Commons, a 48-unit condominium development at The Downs.

We recognize that the needs of local businesses are always changing. As a result, our lenders understand that decisions must be made quickly and that opportunities usually don't wait. Our team of local lenders work together with our customers, get to know the local business market and walk our customers through all the options that are available to them.

We believe local businesses are the foundation of a strong economy and our team is committed to helping our customers grow and prosper.

\$25,000,000

**in loans to
local businesses**

\$9,231,500

**in loans to
support community
development**

TOGETHER

adjective

in or into a unified or coherent structure or an integrated whole.

Our commitment goes beyond providing great service: it extends to the communities in which we all live and work. Giving back to the community is at the core of everything we do. We align our charitable giving and volunteer efforts with organizations that continuously work to improve the quality of life in our communities.

In 2018, Biddeford Savings and Mechanics Savings collectively contributed \$305,000 to hundreds of organizations in the communities we serve. Over \$27,000 in scholarships were given to local area high school students pursuing higher education. We also gave over \$51,000 to our local United Way organizations through our annual United Way campaign!

Throughout the year, the banks also raise money for local organizations through employee jeans days and special events. The last Friday of every month is designated as a Jeans Day, where employees pay a set amount to wear jeans. The proceeds benefit a different charity each month.

Of the many ways we give back to our communities, our employees' volunteerism is one of the most important and most meaningful. Our volunteers collectively donate thousands of hours of their time each year. In 2018, our employees contributed over 7,525 hours in community service! The actions of our employees affected over 250 organizations in Central and Southern Maine. We have many volunteers who spend time in classrooms, from kindergarten to high school, teaching a variety of financial literacy programs. We have employees who provide community leadership as members of non-profit boards and committees. And then there are employees who volunteer their time at organizations they are personally passionate about.

Recently, a group of Maine Community Bancorp employees volunteered at the Good Shepherd Food Bank in Auburn. They spent hours packing and sorting food to be delivered to local organizations and schools throughout the State of Maine. Together, they sorted over 6,475 pounds of food and packed over 220 bags for local schools.

When we work together we can sustain vibrant, prosperous communities that will benefit us all for generations to come. Together we are making the world a better place!



\$305,000

**Contributed back to
our community**

7,525

Hours Volunteered



BOARD OF DIRECTORS

noun

a group of people who manage or direct a company or organization

Jon S. Oxman, Esq., Chair
Thomas E. Wells, Vice Chair
Jeanne Hulit, President & CEO
Stephen Bryant, CPA
Peter Chapman
Sandra G. Dolby
Carl A. Goodwin
Alan Hahnel
Joyce Haley
Keith Jacques, Esq.
Amy Landry, MHA
Elaine Runyon, CPA
Wayne A. Sherman
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Terri Cook
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Walter Crites
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Michael Davis
Brian Devlin
Sandra G. Dolby
Shawn Douston
Denise F. Doyon
Gervais Dube
Bruce Dunphey
Prudence Duross
Kirk Egge
Michael R. Eon
Tim Evrard
Stephen Fairchild
John Fiske

Dennis J. Flaherty
Douglas C. Foglio, Jr.
Douglas C. Foglio, Sr.
Judith E. Fox
Gerard Gelinias
Joyce Gibson
Carl A. Goodwin
Tina Hewett Gordon
Jeffrey Gosselin
Paul Gosselin
Donald Grant
Alan Hahnel
Joyce Haley
Dixie A. Harris
Earle Harvey
Timothy Hebert
Richard A. Hull, Esq.
Dale E. Huot
Barbara Jacques
Keith Jacques, Esq.
Douglas Jones
Christopher Jordan
Dr. Joseph Kenneally, DMD
Peter Kowalski
Dana E. Lane, CPA
Susan F. Lessard
Thomas MacDonald
Dr. Marc G. Malon
Jerry Mansfield
Raymond Martel
Marianne Mason
Edward McGeachey
Craig Millett
Laurence Minott
Michael Nadeau
Stephen Ness
Harry Nielson
Renee O'Neil
Jon S. Oxman
Curt Pepper
Aaron Perkins
Jim Pittman

Michael S. Reilly
William Risbara
Betty Robinson
Leo Roche III
Deborah R. Roy
Elaine Runyon, CPA
Joseph Ryan
Mark Sandler
David Saunders
Harold D. Shaw
Wayne A. Sherman
Edward Snook
Donald Spann
Jay St. John
Peter C. Sylvestre
Paulette R. Taschereau
Craig Thorne
Michele Tribou
Zark VanZandt
John Vigue
Dr. Craig R. Wallingford
Thomas E. Wells
Dr. Janet Whelan, OD
Diane Whiting
Richard Whiting
Dr. Sarah Wormwood
Jeffrey S. Worthing, CPA
Victor Wright
Karen Youland

CORPORATORS

noun

a corporation member; a goodwill ambassador in the community

**STATEMENT OF CONDITION**

			Adjustments	
Assets				
Cash and cash equivalents	\$6,583,000	\$7,007,000	\$0	\$13,590,000
Investment securities	\$40,453,000	\$44,292,000	\$0	\$84,745,000
Loans	\$431,951,000	\$350,397,000	(605,000)	\$781,743,000
Reserve for loan losses	\$(2,079,000)	\$(2,801,000)	\$1,386,000	\$(3,494,000)
Net Loans	\$429,872,000	\$347,596,000	\$781,000	\$778,249,000
Premises and equipment	\$12,166,000	\$8,506,000	\$(1,587,000)	\$19,085,000
Bank Owned Life Insurance	\$2,486,000	\$0	\$0	\$2,486,000
Other assets	\$4,840,000	\$4,778,000	\$1,013,000	\$10,631,000
TOTAL ASSETS	\$496,400,000	\$412,179,000	\$207,000	\$908,786,000
Liabilities and Capital				
Non-interest bearing deposits	\$34,095,000	\$54,689,000	\$(689,000)	\$88,095,000
Interest bearing deposits	\$329,180,000	\$246,605,000	\$0	\$575,785,000
Total deposits	\$363,275,000	\$301,294,000	\$(689,000)	\$663,880,000
Customer repurchase agreements	\$0	\$6,833,000	\$0	\$6,833,000
FHLB borrowings	\$77,956,000	\$50,350,000	\$(5,000)	\$128,301,000
Other liabilities	\$5,034,000	\$2,393,000	\$266,000	\$7,693,000
TOTAL LIABILITIES	\$446,265,000	\$360,870,000	\$(428,000)	\$806,707,000
Undivided profits	\$50,394,000	\$53,228,000	\$(1,039,000)	\$102,583,000
Accumulated other comprehensive loss	\$(259,000)	\$(1,919,000)	\$1,674,000	\$(504,000)
TOTAL CAPITAL	\$50,135,000	\$51,309,000	\$635,000	\$102,079,000
	\$496,400,000	\$412,179,000	\$207,000	\$908,786,000
INCOME STATEMENT				
Interest and dividend income	\$20,068,000	\$18,028,000	\$247,000	\$38,343,000
Interest expense	\$4,455,000	\$3,546,000	\$1,000	\$8,002,000
Net interest income	\$15,613,000	\$14,482,000	\$246,000	\$30,341,000
Provision for loan losses	\$360,000	\$(395,000)	\$0	\$(35,000)
Net interest income after provision for loan losses	\$15,253,000	\$14,877,000	\$246,000	\$30,376,000
Operating income	\$1,661,000	\$1,035,000	\$(21,000)	\$2,675,000
Operating expenses	\$12,582,000	\$10,832,000	\$1,013,000	\$24,427,000
Income before income taxes	\$4,332,000	\$5,080,000	\$(788,000)	\$8,624,000
Income taxes	\$796,000	\$1,094,000	\$(166,000)	\$1,724,000
NET INCOME	\$3,536,000	\$3,986,000	\$(622,000)	\$6,900,000

MAINE COMMUNITY

———— BANCORP ————

